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AN ACT

RELATING TO TAXATION; CHANGING THE GROSS RECEIPTS TAX AND
COMPENSATING TAX DEDUCTIONS FOR FUEL SPECIALLY PREPARED AND
SOLD FOR TURBOPROP OR JET-TYPE ENGINES; PROVIDING
DISTRIBUTIONS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-6.7 NMSA 1978 (being Laws 1994,
Chapter 5, Section 2, as amended) is amended to read:

"7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

A. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the state aviation fund in an amount
equal to four and seventy-nine hundredths percent of the
taxable gross receipts attributable to the sale of fuel
specially prepared and sold to commercial aviation operators
for use in turboprop or jet-type engines as determined by the
department.

B. A monthly distribution pursuant to Section
7-1-6.1 NMSA 1978 shall be made to the state aviation fund in
an amount equal to three and seven hundred seventy-five
thousandths percent of the taxable gross receipts
attributable to the sale of fuel specially prepared and sold
to persons or entities that are not commercial aviation
operators for use in turboprop or jet-type engines as
determined by the department.

1 C. A distribution pursuant to Section 7-1-6.1 NMSA
2 1978 shall be made to the state aviation fund in an amount
3 equal to twenty-six hundredths percent of gasoline taxes,
4 exclusive of penalties and interest, collected pursuant to
5 the Gasoline Tax Act.

6 D. From July 1, 2002 through June 30, 2007, a
7 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
8 made to the state aviation fund in an amount equal to
9 forty-six thousandths percent of the net receipts
10 attributable to the gross receipts tax distributable to the
11 general fund.

12 E. For the purposes of this section, "commercial
13 aviation operator" means a person or entity that, for
14 compensation or hire, engages in the carriage by aircraft in
15 air commerce of persons or property in accordance with part
16 121 and scheduled air operations pursuant to part 135 of
17 Title 14 of the Code of Federal Regulations."

18 Section 2. Section 7-9-83 NMSA 1978 (being Laws 1993,
19 Chapter 364, Section 1, as amended) is amended to read:

20 "7-9-83. DEDUCTION--GROSS RECEIPTS TAX--JET FUEL.--

21 A. Fifty-five percent of the receipts from the
22 sale of fuel specially prepared and sold to commercial
23 aviation operators for use in turboprop or jet-type engines
24 as determined by the department may be deducted from gross
25 receipts.

1 B. For the purposes of this section, "commercial
2 aviation operator" means a person or entity that, for
3 compensation or hire, engages in the carriage by aircraft in
4 air commerce of persons or property in accordance with part
5 121 and scheduled air operations pursuant to part 135 of
6 Title 14 of the Code of Federal Regulations."

7 Section 3. Section 7-9-84 NMSA 1978 (being Laws 1993,
8 Chapter 364, Section 2, as amended) is amended to read:

9 "7-9-84. DEDUCTION--COMPENSATING TAX--JET FUEL.--

10 A. Fifty-five percent of the value of the fuel
11 specially prepared and sold to commercial aviation operators
12 for use in turboprop or jet-type engines as determined by the
13 department may be deducted in computing the compensating tax
14 due.

15 B. For the purposes of this section, "commercial
16 aviation operator" means a person or entity that, for
17 compensation or hire, engages in the carriage by aircraft in
18 air commerce of persons or property in accordance with part
19 121 and scheduled air operations pursuant to part 135 of
20 Title 14 of the Code of Federal Regulations."

21 Section 4. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2005. _____

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